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TAGS: [ECON](#) [KWBG](#) [PGOV](#) [PREL](#) [SOCI](#) [SA](#)
SUBJECT: JEDDAH ECONOMIC FORUM (JEF) BACK ON FOR OCTOBER
2009 WHILE CONSUMER SPENDING IS DOWN IN KINGDOM

REF: A. JEDDAH13
[1](#)B. JEDDAH20
[1](#)C. JEDDAH29
[1](#)D. JEDDAH50
[1](#)E. JEDDAH60

Classified By: CG Martin R. Quinn for reasons 1.4 (b) and (d)

[1](#)1. (C)SUMMARY: In meeting earlier this month with the newly appointed Chair of the Jeddah Chamber of Commerce and Industry (JCCI), Muhammad Abdul Qader Al-Fadh1, post learned that the 10th Jeddah Economic Forum (JEF), several times cancelled and postponed, is indeed now expected to take place in October 2009. Al-Fadh1 admitted that the Saudi government is spending money fast while fear among the Saudi public is leading to a marked decrease in consumer spending. Al-Fadh1 promised support for upcoming US trade delegations and encouraged investment in the real estate sector. END SUMMARY.

[1](#)2. (C) SAG SPENDING FAST: In March 9 meeting in Jeddah with Ambassador and CG, Al-Fadh1 noted that the Saudi government is spending considerably even as the economic crisis continues, pointing to a JCCI company that was recently awarded a large contract: "The population of Saudi Arabia lives on government spending and the government is spending very quickly. We would not like to use reserves; we would like to save it for future generations." He described the falling price of oil as "a little bit scary." The immediate impact on the Saudi economy is on consumer spending, but the statistics are bearing out gains: "Sales are higher this year than last, some people are buying more cautiously, but sales have increased by 11 percent."

[1](#)3. (C) TRADE DELEGATION SUPPORT AND REAL ESTATE PROSPECTS: Al-Fadh1 expressed support for upcoming US trade delegations coming to the Kingdom: "We are very glad to see more coming; it strengthens relations between the US and Saudi Arabia." He pointed to the real estate sector as an area for increased growth: "If you go around Jeddah, you will not see tall office buildings as you see in Riyadh. We can find good opportunities for US companies to come with know-how and as investment opportunities. There is a market for it."

[1](#)4. (C)JEDDAH ECONOMIC FORUM(JEF)BACK ON: Al-Fadh1 excused himself from the meeting in order to attend the Governor of the Mecca region, Prince Khalid Al-Faisal. According to Al-Fadh1, the two were meeting to set a definite date for the 2009 Jeddah Economic Forum, which he promised would take place in October. On March 17, Sami Bahrawi, Chairman of the JEF, confirmed the Forum will be held on October 17. As of yet, no public announcement had been made and nothing confirming the date has been posted on the JEF website (www.jef.com.sa).

[1](#)5. (C) COMMENT: The drama of the cancellation and possible postponement of the Jeddah Economic Forum has been an on-going saga since early January. While it appears likely that JEF will take place in October, the lack of a public announcement may reflect reluctance of the planners to make

any announcement until arrangements are 100 percent certain.
JCCI Chairperson Al-Fadh1,s confidence in consumer spending
is not echoed by many within the Jeddah community who see
sales sliding considerably as concerned Saudis hold on to
their money. Future statistics reflecting first quarter 2009
spending may reveal decreased spending in certain sectors.
END COMMENT.
QUINN